

4 FAM 050 OBLIGATION VALIDITY CRITERIA

4 FAM 051 POLICY AND PURPOSE

(TL:FIN-356; 11-30-95)

This subchapter provides the fiscal policy for evaluating the validity of obligations incurred. It is applicable for day-to-day operations and year-end closings. Specific requirements and/or procedures relative to this policy are contained in 4 FAH-3 H-050 .

4 FAM 052 OBLIGATIONS, DEFINITION, TYPES, AND DOCUMENTS

4 FAM 052.1 Use Of Funds

(TL:FIN-356; 11-30-95)

The use of funds is governed by specific legal authority and is represented by various types of transactions and related documents which are executed by duly authorized officers. The documents must indicate the amounts to be expended or legally reserved for the performance of services and/or the acquisition of real or personal property. These rules apply equally to grants and administrative claims.

4 FAM 052.2 General Rule

(TL:FIN-356; 11-30-95)

The general rule for lawfully obligating funds is that the items or services ordered must fill a bona fide need for the fiscal year in which the purchase or service is established, including stock replenishment, and that the obligation is not incurred at a date earlier than is necessary for the successful conduct of the Government's business.

4 FAM 053 CONCEPTS AND CRITERIA

4 FAM 053.1 Personal Services And Benefits

(TL:FIN-356; 11-30-95)

Fund managers or budget and fiscal officers responsible for allotments and/or operating allowances, containing funds for personal services and benefits, must ensure that monthly cost estimates for all such items of expense are prepared.

4 FAM 053.2 Travel Abroad

(TL:FIN-356; 11-30-95)

a. This category includes travel and transportation of personnel as well as transportation of things and transportation services, related to employees' personal effects, such as unaccompanied baggage (UB), household effects (HHE), and privately-owned vehicles (POV). It includes both temporary duty (TDY) travel and assignment travel involving points of origin and destination and enroute travel. It excludes domestic travel confined within or between the 50 states and the District of Columbia. Specific criteria are as follows:

b. International assignment travel, is centrally obligated in Washington on an individually priced average-cost or cost-factor basis, depending upon the fund involved. The estimated amounts are construed as valid obligations chargeable to the fiscal year in which actual travel begins. Travel begins whenever any item of expense is incurred.

4 FAM 053.3 Transportation of Things

(TL:FIN-356; 11-30-95)

Government property being transported is an obligation at the time shipment is turned over to the carrier. The amount of the obligation must include all costs while in the hands of the carrier.

4 FAM 054 UNDER JOINT RESOLUTIONS

(TL:FIN-356; 11-30-95)

The authority to obligate under a joint resolution carries with it the criteria applicable to the appropriation for funds covered.

4 FAM 055 THROUGH 059 UNASSIGNED